



TERRY E. BRANSTAD  
GOVERNOR

**OFFICE OF THE GOVERNOR**

KIM REYNOLDS  
LT. GOVERNOR

April 27, 2012

The Honorable Matt Schultz  
Secretary of State of Iowa  
State Capitol Building  
LOCAL

Dear Mr. Secretary:

I hereby transmit:

House File 2458, an Act establishing a rural Iowa primary care loan repayment program and trust fund to be administered by the College Student Aid Commission.

The above House File is hereby approved this date.

Sincerely,

A handwritten signature in black ink, reading "Terry E. Branstad".

Terry E. Branstad  
Governor

cc: Secretary of the Senate  
Clerk of the House



House File 2458

AN ACT

ESTABLISHING A RURAL IOWA PRIMARY CARE LOAN REPAYMENT PROGRAM  
AND TRUST FUND TO BE ADMINISTERED BY THE COLLEGE STUDENT AID  
COMMISSION.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. NEW SECTION. 261.115 Rural Iowa primary care  
loan repayment program — fund — appropriations.

1. *Program established.* A rural Iowa primary care loan  
repayment program is established to be administered by the  
college student aid commission for purposes of providing loan  
repayments for medical students who agree to practice as  
physicians in service commitment areas for five years and meet  
the requirements of this section.

2. *Eligibility.* An individual is eligible to apply to enter  
into a program agreement with the commission if the individual  
is enrolled full-time in and receives a recommendation  
from the state university of Iowa college of medicine or  
Des Moines university — osteopathic medical center in a  
curriculum leading to a doctor of medicine degree or a doctor  
of osteopathy degree.

3. *Program agreements.* A program agreement shall be  
entered into by an eligible student and the commission when the  
eligible student begins the curriculum leading to a doctor of  
medicine or osteopathy degree. Under the agreement, to receive  
loan repayments pursuant to subsection 5, an eligible

student shall agree to and shall fulfill all of the following requirements:

*a.* Receive a doctor of medicine or osteopathy degree from an eligible university and apply for, enter, and complete a residency program approved by the commission.

*b.* Apply for and obtain a license to practice medicine and surgery or osteopathic medicine and surgery in this state.

*c.* Complete their residency program requirement with an Iowa-based residency program.

*d.* Within nine months of graduating from their residency program and receiving a permanent license in accordance with paragraph "b", engage in the full-time practice of medicine and surgery or osteopathic medicine and surgery specializing in family medicine, pediatrics, psychiatry, internal medicine, or general surgery for a period of sixty consecutive months in the service commitment area specified under subsection 6, unless the loan repayment recipient receives a waiver from the commission to complete the months of practice required under the agreement in another service commitment area pursuant to subsection 6.

*4. Priority to Iowa residents.* The commission shall give priority to eligible students who are residents of Iowa upon enrolling in the university.

*5. Loan repayment amounts.*

*a.* The amount of loan repayment an eligible student who enters into an agreement pursuant to subsection 3 shall receive upon fulfilling the requirements of subsection 3 shall be not more than fifty thousand dollars annually for an eligible loan. Payments under this section are limited to a four-year period and shall not exceed a total of two hundred thousand dollars.

*b.* The commission shall not enter into more than twenty program agreements annually. Fifty percent of the agreements shall be entered into by students attending each university described in subsection 2. However, if there are fewer than ten eligible student applicants at one university, eligible student applicants enrolled in the other university may be awarded the remaining agreements.

*6. Selection of service commitment area.* A loan repayment recipient shall notify the commission of the recipient's service commitment area prior to beginning practice in the area in accordance with subsection 3, paragraph "d". The commission may waive the requirement that the loan repayment recipient practice in the same service commitment area for all sixty

months.

7. *Rules for additional loan repayment.* The commission shall adopt rules to provide, in addition to loan repayment provided to eligible students pursuant to this section and subject to the availability of surplus funds, loan repayment to a physician who received a doctor of medicine or osteopathy degree from an eligible university as provided in subsection 2, obtained a license to practice medicine and surgery or osteopathic medicine and surgery in this state, completed the physician's residency program requirement with an Iowa-based residency program, and is engaged in the full-time practice of medicine and surgery or osteopathic medicine and surgery as specified in subsection 3, paragraph "d".

8. *Part-time practice — agreement amended.* A person who entered an agreement pursuant to subsection 3 may apply to the commission to amend the agreement to allow the person to engage in less than the full-time practice specified in the agreement and under subsection 3, paragraph "d". If the commission determines exceptional circumstances exist, the commission and the person may consent to amend the agreement under which the person shall engage in less than full-time practice of medicine and surgery or osteopathic medicine and surgery specializing in family medicine, pediatrics, psychiatry, internal medicine, or general surgery in a service commitment area for an extended period of part-time practice determined by the commission to be proportional to the amount of full-time practice remaining under the original agreement.

9. *Postponement and satisfaction of service obligation.*

a. The obligation to engage in practice in accordance with subsection 3 shall be postponed for the following purposes:

(1) Active duty status in the armed forces, the armed forces military reserve, or the national guard.

(2) Service in volunteers in service to America.

(3) Service in the federal peace corps.

(4) A period of service commitment to the United States public health service commissioned corps.

(5) A period of religious missionary work conducted by an organization exempt from federal income taxation pursuant to section 501(c)(3) of the Internal Revenue Code.

(6) Any period of temporary medical incapacity during which the person obligated is unable, due to a medical condition, to engage in full-time practice as required under subsection 3, paragraph "d".

*b.* Except for a postponement under paragraph "a", subparagraph (6), an obligation to engage in practice under an agreement pursuant to subsection 3, shall not be postponed for more than two years from the time the full-time practice was to have commenced under the agreement.

*c.* An obligation to engage in full-time practice under an agreement entered into pursuant to subsection 3 shall be considered satisfied when any of the following conditions are met:

- (1) The terms of the agreement are completed.
- (2) The person who entered into the agreement dies.
- (3) The person who entered into the agreement, due to a permanent disability, is unable to practice medicine and surgery or osteopathic medicine and surgery.

10. *Trust fund established.* A rural Iowa primary care trust fund is created in the state treasury as a separate fund under the control of the commission. The commission shall remit all repayments made pursuant to this section to the rural Iowa primary care trust fund. All moneys deposited or paid into the trust fund are appropriated and made available to the commission to be used for meeting the requirements of this section. Moneys in the fund up to the total amount that an eligible student may receive for an eligible loan in accordance with this section and upon fulfilling the requirements of subsection 3, shall be considered encumbered for the duration of the agreement entered into pursuant to subsection 3. Notwithstanding section 8.33, any balance in the fund on June 30 of each fiscal year shall not revert to the general fund of the state, but shall be available for purposes of this section in subsequent fiscal years.

11. *Definitions.* For purposes of this section:

*a.* "Eligible loan" means the physician's total federally guaranteed Stafford loan amount under the federal family education loan program or the federal direct loan program, including principal and interest.

*b.* "Eligible university" means either the state university of Iowa college of medicine or Des Moines university — osteopathic medical center.

*c.* "Service commitment area" means a city in Iowa with a population of less than twenty-six thousand that is located more than twenty miles from a city with a population of fifty thousand or more and which provides a twenty thousand dollar contribution for deposit in the rural Iowa primary care trust

fund for each physician in the community who is participating in the loan repayment program.



KRAIG PAULSEN  
Speaker of the House



JOHN P. KIBBIE  
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 2458, Eighty-fourth General Assembly.



W. CHARLES SMITHSON  
Chief Clerk of the House

Approved April 27, 2012



TERRY E. BRANSTAD  
Governor